

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

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July 16, 2012

Mr. Jeffrey D. Wiese
Associate Administrator for Pipeline Safety
Pipeline and Hazardous materials Safety Administration
U. S. Department of Transportation
1200 New Jersey Ave., S.E.
Washington, D.C. 20590

RE: Cast Iron Gas Pipe Replacement Programs in Massachusetts

Dear Mr. Wiese:

I am writing in response to your June 13, 2012 request for information concerning the replacement of cast iron gas pipelines. In Massachusetts there are over 21,000 miles of gas distribution pipelines. Currently, less than one-fifth of the gas distribution system in Massachusetts is composed of cast iron pipe. As described below, the Massachusetts Department of Public Utilities (DPU) continues to implement measures to advance the replacement of all remaining cast iron in the State's gas pipeline distribution system.

The DPU has regulations in place requiring the seven regulated gas companies and four municipal gas departments to develop and implement cast iron replacement programs (220 C.M.R. §113.00: Operation, Maintenance, Replacement, and Abandonment of Cast-Iron Pipelines). Included in these regulations is a mandatory provision requiring companies to replace cast iron pipe that has been encroached upon immediately. Further, in conjunction with ratemaking proceedings, the DPU has approved three Targeted Infrastructure Recovery Programs. These programs allow companies, upon making the requisite showing, to recover the cost of replacing certain pipelines, including cast iron pipelines, in an expedited manner. In allowing expedited cost recovery, the DPU also takes into consideration impacts on ratepayers.

We expect that more companies will petition the DPU for approval of similar recovery plans in the future.

The DPU continues to have a strong pipeline safety enforcement program. We recognize that the DPU's partnership with PHMSA is an important part of this program and we look forward to working with PHMSA on future initiatives. Please feel free to contact me if you have any further questions.

Very truly yours,

Ann G. Berwick

Chair,

Massachusetts Department of Public Utilities